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Paul Niedergang - S2HC Testimony

City Council Members & Staff - My name is Paul Niedergang. I have lived in Portland since 1975 and have a small RE Investment and Development company called Progressive Development Group that has been involved primarily in redevelopment and adaptive reuse projects in SE and NE Portland.

I am supportive of the changes being proposed by the S2HC project and am hopeful that the changes will provide a greater range of shelter alternatives for unhoused people. I would like to commend BPS and BDS for the changes that have already been made to the S2HC project. While much progress has been made, I believe there are still a few other changes that should be considered.

In general, I believe the focus of the S2HC should not be limited to providing housing for houseless people in institutional and group living situations. The City of Portland declared a "housing emergency" in 2015. In many ways the crisis has only worsened since then, so it is crucial that we encourage greater innovation to address the crisis. If we keep doing the same thing, we will achieve the same results. It's time to think differently!

To help unleash the power of the greater Portland community I strongly **recommend that S2HC project incorporate an Innovative Housing Demonstrations Pathway (IHDP) as part of the code update.** This would allow a limited number of Pilot Projects to demonstrate the viability of alternative options with low risk while studying options to reduce code barriers.

We have been working on a model tiny house village project on a 20,000 SF RM1 site in SE Portland that we acquired in 2017. The concept is to create an affordable non-profit Arts Focused Tiny Home Eco Village (Art Farm). The site came with a house, workshop and barn and we have since added one tiny home. Despite our best efforts, we have been unable to figure out a permitting path for the concept. We are hoping the proposed S2HC changes to allow Tiny Houses on Wheels (THOW's) will enable a path forward.

The idea behind Art Farm is to demonstrate one possible affordable housing solution. While not as critical as providing homes for houseless people this type of project is still an important waypoint on the continuum. **The idea is to demonstrate the viability one alternative development modality with the hope that other people will utilize and refine the model.**

This project arose out of the realization that over the past decade many artists have been displaced from their workspaces by the redevelopment of old warehouse buildings in the urban core and have also found themselves priced out of the housing market. If we want to have art in our community, we need to have affordable spaces for artists to live and work.

Our proposed design is described in the attached 2-page overview and would allow for up to 10 Tiny Homes with Common Kitchen and Rest Room facilities. The proposed S2HC code revisions bring this type of development closer to reality but there are still a few issues that need to be resolved:

1. Eliminate or modify the 25' rear and side setback requirements. This would severely constrain the development potential of many sites. Current zoning allows townhouses with a 5' setback so this is unnecessarily restrictive.
2. Allow an "off grid" option by modifying the requirement for utility hookups.
3. Reduce barriers to implementation by the following:
  - a) create a parallel by-right expedited pathway for tiny house and tiny homes on wheels village clusters that does not require a conditional use discretionary process if a minor adjustment (such as #2 above is warranted). This would trigger a Type III review which is lengthy and costly and creates greater uncertainty which may deter more housing projects.
  - b) reduce or waive permit fees for tiny house and THOW villages (similar to precedent with ADUs), that provide affordable housing approaches but are not designated homeless shelters. (This would modify or clarify Exemptions for 30.01.096)
  - c) collaborate with community partners to connect applicants in need with free or low-cost technical assistance for applicants that may not have access to architecture, planning and permitting expertise.

There are currently many unpermitted tiny home cluster developments in Portland because there has been no practical and affordable way to permit this particular use. I believe it is better to create a legal path for this type of development rather than have it proliferate in an arbitrary, under the radar manner. I encourage you make additional changes to S2HC to enable permitted projects of this nature to be built.

We expect the Art Farm site will be a prime development site in 10 to 20 years. Our concept allows for higher intensity interim use while retaining future higher density development potential and avoids wasteful demolition. By siting tiny homes on this property, we can provide affordable housing and workspace for a significant number of people for a 10- to 20- (or longer) year time period.

Why is this important?

- There are many sites around the city that have potential for similar interim development.
- Supports higher intensity interim use for affordable rental housing.
- Can provide an alternative low-bar to entry for home ownership.
- Retains future potential of higher intensity uses without demolition.
- The current system is not equitable to many people who want to contribute to the solution.

As a developer - there needs to be a clear permitting pathway:

- The more complicated it is, the more expensive it is, how do we simplify?
- How do you create something safe and desirable with a process that is simple and transparent?
- If as an experienced developer, I am having trouble figuring out a path forward, then 98% of people will have trouble and only a handful of tenacious people be able to permit innovative projects like this.

In closing, I want to convey our appreciation for the work that staff has already been done on this project and look forward to continuing the dialogue to help bring the S2HC project to a successful conclusion.

Paul Niedergang, Art Farm Project Owner  
President, Progressive Development Group, Inc.